

FISCAL IMPACT STATEMENT ON BILL NO. **S. 579**

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TO:	The Honorable Glenn McConnell, Chairman, Senate Judiciary Committee		
FROM:	Office of State Budget, Budget and Control Board		
ANALYSTS:	Harry Bell, R.J. Stein		
DATE:	March 11, 2005	SBD:	2005283

AUTHOR:	Senator Fair	PRIMARY CODE CITE:	28-2-420
SUBJECT:	Eminent Domain & Interest Rate Used to Calculate Payment		

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

\$0 (No additional expenditures or savings are expected)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

A Savings to Federal and/or Other Funds

BILL SUMMARY:

Senate Bill 579 amends Sections 28-2-420 and -480 of the Code of Laws of South Carolina, 1976, relating to the interest rate on funds deposited with the Clerk of Court by a condemnor pursuant to the Eminent Domain Procedures Act. The current statute provides for an interest rate of 8%. This Bill changes the rate to "the rate published by the Board of Governors of the Federal Reserve System for twenty-six weeks (six months) US Treasury bills effective on the date the condemnation notice was filed" with the Clerk of Court.

EXPLANATION OF IMPACT:

Department of Transportation (DOT)

DOT estimates enactment of this Bill would save the agency \$1.3 million in State Highway Funds. This estimate includes savings associated with reduced payments (resulting from a reduced interest rate) and staff time associated with settling such condemnation cases.

The State Ports Authority and the Public Service Authority indicate enactment would have little or no impact on expenditures.

LOCAL GOVERNMENT IMPACT:

Enactment should have a minimal impact on local expenditures.

SPECIAL NOTES:

None.

Approved by:



Don Addy
Assistant Director, Office of State Budget